

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

MDL No. 3076
Case No. 1:23-md-03076-KMM

**IN RE:
FTX Cryptocurrency Exchange Collapse Litigation**

This document relates to:

**INSIDER DEFENDANTS
PROMOTER DEFENDANTS**

**PLAINTIFFS' SUPPLEMENT TO PLAINTIFFS' MOTION FOR PRELIMINARY
APPROVAL OF FIRST TRANCHE OF FTX SETTLEMENTS**

This multidistrict litigation seeks to address the substantial financial harm caused by the collapse of the FTX cryptocurrency exchange. As part of these efforts, Plaintiffs have reached a series of settlements designed to maximize recovery for class members while ensuring procedural efficiency. This motion supplements Plaintiffs' prior request for approval of a first tranche of settlements and outlines developments achieved since the original filing.

Since filing their motion for preliminary approval on March 27, 2024 [ECF 565], Plaintiffs have engaged in productive mediation efforts and have reached a Global Resolution with the FTX Debtors [ECF 742]. As part of the Global Resolution, MDL Plaintiffs have the ability to coordinate settlement administration through the bankruptcy estate, greatly simplifying the distribution process and reducing costs associated therewith. In order to achieve this efficiency, Plaintiffs seek to bifurcate the two tracks of settlements which were previously filed together. Plaintiffs have also reached a full settlement with Defendant Shaquille O'Neal, further demonstrating the tangible

progress made in resolving claims on behalf of the class. Papers finalizing this settlement will be filed shortly.

Request to Stay Insider Settlements

To preserve the procedural clarity achieved through the Global Resolution, Plaintiffs respectfully request that the Court stay the FTX Insider Settlements, while allowing the Promoter settlements to proceed. A stay will prevent overlapping proceedings and ensure that resources are allocated efficiently to avoid duplicative or conflicting litigation. Staying these settlements now will allow the Promoter Track to proceed independently, without disruption, once the Court rules on the pending FTX Promoters Motion to Dismiss.

Proposal for Deferred Notice of Promoter Settlements

Plaintiffs propose deferring formal notice of the Promoter Defendants' settlements to reduce administrative costs and promote judicial efficiency. This approach mirrors the procedures adopted in *Karnas v. Cuban*, 22-cv-22538, ECF No. 304, where Federal District Judge Altman deferred class notice of Promoter Defendants' settlements until claims against non-settling Promoter Defendants were resolved. Deferred notice ensures that no unnecessary costs are incurred while enabling the Court to manage the proceedings cohesively.

Importantly, deferring notice does not prejudice class members because no action is required from them at this stage. Instead, this approach aligns with established practices designed to conserve class funds and judicial resources. Further, deferral will allow the FTX Debtors to fully establish and operate their distribution mechanism in the first instance, ensuring that when MDL funds are ready to be distributed all is running smoothly.

Broader Benefits of the Proposed Approach

The proposed stay and notice procedures reflect the complex nature of this multidistrict litigation and the need to balance multiple interests effectively. These measures will allow the Court to manage the case holistically, promoting fairness and efficiency. They also underscore the significant progress Plaintiffs have made in securing settlements that meaningfully benefit the class while minimizing costs and procedural redundancies.

WHEREFORE, Plaintiffs respectfully request that the Court: (1) stay the FTX Insider Settlements as outlined above; (2) approve the proposed settlement procedures consistent with those in *Karnas v. Cuban*; (3) defer formal notice of Promoter Defendants' settlements until appropriate; and (4) grant such other and further relief as this Court deems just and proper.

Respectfully submitted this 18th day of November, 2024.

By: /s/ Adam Moskowitz

Adam M. Moskowitz

Florida Bar No. 984280

Joseph M. Kaye

Florida Bar No. 117520

THE MOSKOWITZ LAW FIRM, PLLC

Continental Plaza

3250 Mary Street, Suite 202

Coconut Grove, FL 33133

Office: (305) 740-1423

adam@moskowitz-law.com

joseph@moskowitz-law.com

service@moskowitz-law.com

By: /s/ David Boies

David Boies

Alex Boies

Brooke Alexander

BOIES SCHILLER FLEXNER LLP

333 Main Street

Armonk, NY 10504

Office: (914) 749-8200

dboies@bsfllp.com

aboies@bsfllp.com

balexander@bsfllp.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was filed on November 18, 2024, via the Court's CM/ECF system, which will send notification of such filing to all attorneys of record.

By: /s/ Adam Moskowitz

Adam Moskowitz